



Board of Directors Progress Report

September 30, 2009

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Message from the Chair

This report marks the midway point of the second year of operations for Enterprise Saskatchewan and the Board. It has been a year of reinvention and evolution for the agency, and a year of shifting situations for our province and the businesses that drive its economy.

It must be noted that even after all the revisions, recalculations and reckonings of the past year, most of Canada's economic forecasters are saying Saskatchewan will again lead the country in economic growth in 2010. We continue to have one of the top results among the provinces in terms of business optimism, according to the Canadian Federation of Independent Business. We are setting employment records. And our population is growing. For example, the towns of Meadow Lake and Martensville recently achieved city status, the first time our province has added two new cities in a single year since 1913. And we are expected to have yet another record year in new capital investment—over \$14 billion.

The resilience, the diversification and the depth of our provincial economy are carrying us through this recovery better and stronger than many other jurisdictions could hope for. In spite of these strengths, we do need to work more effectively to address the challenges of growth and to make sure all Saskatchewan people continue to share in its benefits. For this, Enterprise Saskatchewan looks in large part to its sector teams and strategic issues councils. The collective knowledge and input represented by the individuals who comprise these bodies goes to the very heart of what the agency does, and their work does not go unnoticed or unappreciated.

In this vein, I note with regret that Enterprise Saskatchewan Board member Ms. Crystal McLeod resigned in August to pursue other career interests. Her absence will be felt, as Crystal's insight and energy were important elements of the Board's vitally important inaugural year, particularly regarding her contributions as an advocate for actions to increase Aboriginal participation in the economy. The Board vacancy will be addressed by the end of this year, and—as with other elements of the continual and revitalizing change we experience every day—we will keep working to fulfill the mandate put forward to us by The Honourable Brad Wall, Premier of Saskatchewan.

A handwritten signature in black ink, reading "Ken Cheveldayoff".

Ken Cheveldayoff
Chair



Message from the Vice Chair

In 2009, Saskatchewan's competitive and prosperous business climate has shown that while the province is not immune to the effects of global markets, it is robust and diverse enough to successfully withstand almost any economic challenge. As the country and the world continue to wrestle free of the grip of global economic problems, there's no doubt this is a bold statement. However, we've been very fortunate in Saskatchewan, not simply in what we have to work with, but what we choose to make of it.

Ultimately, we are rediscovering first-hand that bold initiative and forward thinking creates prosperity and—more importantly—sustains it. Such qualities are always an asset, but at this moment in time they are critical, especially in a province emerging as one of Canada's economic leaders, when economic strength and resilience are in short supply. We did not meet this global recession by treading water, or retreating into isolation, or by maintaining the status quo; we are not emerging from it by relying on work that we have already done, but by continuing to press the advantage wherever it can be found.

This interim report provides a clear and public update of our activities to this end. Priorities for the Board continue to include competitive property, personal, corporate and sales taxes, as well as tax incentives to encourage new strategic investments. The release of *Measuring Saskatchewan's Progress: Performance Indicators for Saskatchewan's Economy* in October 2009 has helped to set benchmarks for the months and years ahead.

There is no idle reflection; there is less bureaucracy; there is no sense that our job is done and we can rest on our record. There is, instead, the understanding that our efforts mean something, not just in the present, but in the legacy our accomplishments leave to the future and to who will follow—both to those who live and work in Saskatchewan and those who come from afar to explore and invest with us.

I wish to offer our thanks and best wishes to departing Board member Ms. Crystal McLeod, who did so much to help make our first year the successful milestone it was. I am very pleased to say that she accepted a job with the provincial government—so certainly the people of Saskatchewan will continue to benefit from her ongoing efforts and leadership.



Gavin Semple

Executive Summary

Between April 1 and September 30, 2009, the Enterprise Saskatchewan (ES) Board made 22 recommendations to the Government of Saskatchewan. Competitive taxes—property, personal, corporate and sales taxes—continue to be priorities for the Board. The public discussion generated by the Board's recommendation on a harmonized sales tax has been timely in light of British Columbia and Ontario's announcements that they will be harmonizing their sales taxes in 2010 to boost their economies. More recently, the Board recommended targeted tax incentives to encourage new strategic investments.

The ES Board received the Saskatchewan Labour Market Commission's report in April with recommendations in three areas: information and communication; workforce and workplace enhancement; and attraction and retention of highly skilled individuals. A new labour market council is being established to provide further advice as government finalizes and implements a provincial labour market strategy.

The ES Board believes that First Nations and Métis participation in the economy is essential to the future prosperity of the province. A strategy is needed to ensure that Aboriginal people have the capacity needed to participate fully in the economy, not only as employees, but as business owners.

Utility costs are a significant cost to many businesses. The ES Board has recommended that "impact on competitiveness" be considered in assessments of rate increases, and that an efficiency and effectiveness of major Crowns be undertaken to minimize future price increases.

The Board supports reducing barriers to trade and supports the Government of Saskatchewan in the negotiation of the new Western Economic Partnership (WEP) with British Columbia and Alberta, focusing on internal trade, international marketing, innovation and procurement.

The Board received presentations and recommendations from the following Sector Teams and Strategic Issues Councils: Homebuilding, Forestry, Mining, Information Technology, Life Sciences, Biofuels and Bio-products, Agri-Value, Transportation and Logistics, Commercialization and Research and Development Services, Regulatory Modernization, and Entrepreneurship. The Board considered the recommendations along with analysis and input from ES staff and other ministries, and as deemed appropriate, advanced recommendations, with amendments in some cases, to Cabinet.

Progress continued to be made on previous Board recommendations. For instance, 13 new Enterprise Regions (ERs) in southern Saskatchewan have been established, and three new ERs are being established in northern Saskatchewan to leverage strengths and build on competitive regional advantages.

ES released *Measuring Saskatchewan's Progress: Performance Indicators for Saskatchewan's Economy* in October 2009. The report outlines 25 performance indicators to monitor Saskatchewan's competitiveness and economic progress over time and in relation to the other provinces and Canada as a whole. In 2008, Saskatchewan had an exceptional year for economic performance, recording the highest growth rate in real gross domestic product (GDP), the second-highest employment growth rate, the third-largest percentage gain in population, the highest growth in personal disposable income (PDI) per capita, and the second-fastest growth in manufacturing. ES and its partners are laying the foundation for the province's continued growth and prosperity.

Taxation

The ES Board is tasked by *The Enterprise Saskatchewan Act* and the Premier to provide advice on tax policies to increase economic growth.

In May 2009, the Board re-emphasized its continued support for broad-based corporate and personal tax reductions and for a harmonized sales tax. On July 23, 2009, British Columbia announced that it will follow Ontario's lead by creating a single sales tax on July 1, 2010, saying that it was the single most important step the province could take to boost its economy. Businesses in Saskatchewan will find it increasingly difficult to compete with businesses in Alberta and the six provinces that will have a harmonized sales tax.

The ES Board noted that some businesses had significant property tax increases even though total education property taxes were reduced by \$103 million in 2009. The three-tier mill rate for commercial property owners means that large businesses are paying a higher rate than other businesses for education property taxes.

ES Board Recommendation:

That, as the Government of Saskatchewan reviews the second year of the property taxation structure changes, the Government should take into account any inequities of the changes and take steps to mitigate the impact on the competitiveness of the three-tier system, and consult with the ES Board of Directors as it goes forward in this review.

Response:

Significant increases in property values and changes in the assessment methodologies have accounted for increases in property taxes for some businesses, even though overall mill rates decreased. The three-tiered structure for education property tax for commercial property owners is expected to be phased out as finances permit.

The Minister of Education will meet with the ES Board to further discuss their concerns with the three-tier system.

The Board also recognizes Saskatchewan's new fiscal realities over the last six months. As a result, the Board discussed options for targeted tax incentives to attract investment that would not otherwise be made in Saskatchewan. The Board supports targeted tax incentives for new investment that meets the following criteria:

- Is a significant investment that creates a minimum number of new jobs;
- Helps to build new industry clusters and create opportunities for other small- and medium-sized enterprises; and
- Does not compete with other established companies in the province.

ES staff will be working with the Ministry of Finance to identify options for new growth tax incentives.

Labour Market

The ES Board identified the development, retention and attraction of a skilled labour force as being critical to the province's long-term economic growth. While the recent downturn in the economy throughout North America has lessened the short-term pressure for workers, shortages are expected when the economy picks up, demand for Saskatchewan resources increases, and baby boomers start to retire in greater numbers than people entering the labour market.

The Saskatchewan Labour Market Commission (SLMC) presented its report to the ES Board, and it was released July 2, 2009. The report focuses on three themes: information and communication, workforce and workplace enhancement, and attraction and retention of highly skilled individuals. The report makes 19 high-level recommendations in these areas. ES is working with Advanced Education, Employment and Labour (AEEL) and other ministries to build on SLMC's report in the development of a provincial labour market strategy for release in 2010.

The SLMC was wound down as an independent corporate entity as of September 30, 2009. The ES Board recognized the need for continued advice from stakeholders on labour market issues and recommended that this be done through a new strategic issues council.

ES Board Recommendation:
Establish a Labour Market Council subject to further development and consultation on its clear mandate and focus.

Response:
Consultations were held with labour market stakeholders on the mandate of the Council. The Labour Market Council is expected to be established prior to year-end.

Aboriginal Economic Development

The ES Board identified the need to increase First Nation and Métis people's participation in the economy, not only as employees, but as business owners. In 2006, the self-employment rate for Aboriginal people was five per cent compared to the 17 per cent average self-employment rate in Saskatchewan.

The Board noted that the Aboriginal Business Directory being maintained by Crown Investments Corporation was not being used to its full potential and that there was an opportunity for more Aboriginal-owned businesses to participate in Crown and government procurement. The Board also believes there will be more opportunities for First Nation and Métis people to own businesses as current aging business owners retire. A strategy is needed to ensure that Aboriginal people have the capacity needed to participate fully in the economy.

ES Board Recommendation:
That ES work with government to establish an appropriate action plan to engage the Aboriginal people in the economy; and that the Government of Saskatchewan make a bold statement not to allow jurisdictional issues to get in the way of ensuring full participation of Aboriginal people in our economy.

Response:
The Throne Speech committed to focus on greater First Nations and Métis engagement in Saskatchewan's economic prosperity. ES has been working with First Nations and Métis Relations, Education and AEEL on a strategy that seeks to close the gaps for Aboriginal people in education, employment and participation in the economy. Resolving jurisdictional issues will be part of the strategy. The Aboriginal Business Directory was transferred to ES to update and promote.

Utility Competitiveness

Utility costs, particularly power, can be a significant cost of doing business for many companies. In December 2008, SaskPower submitted a rate application for a 13 per cent system-wide average rate increase to the Saskatchewan Rate Review Panel (the Panel). The ES Board expressed concern about the economic impact of double-digit rate increases and the impact on Saskatchewan's competitiveness.

ES Board Recommendation:

Include consideration of the impact of utility rate increases on the economy and industry competitiveness in future Rate Review Panel mandates and in the absence of this mandate, that Cabinet consider the impact of rate increases on the economy and industry.

Response:

As a result of the ES Board's recommendation, government has added "Impact on Competitiveness" as a consideration for future Panel recommendations.

The ES Board noted that the Panel's report indicated a trend of year-over-year increases in SaskPower's operations, maintenance and administration expenses reflecting a rising proportion of employees to the number of customers. The Board agreed with the Panel's conclusion that this tendency warranted tangible measures to ensure optimal productivity and efficiency.

ES Board Recommendation:

That the Government of Saskatchewan initiate an efficiency and effectiveness review of all Crown Corporations.

Response:

Most major Crowns currently have ongoing productivity reviews. Crown Investments Corporation will determine what further reviews should be

undertaken to increase Crown efficiency and effectiveness.

Reducing Trade Barriers

Prior to meeting with the Alberta and British Columbia cabinets on September 11, 2009, Premier Brad Wall asked the ES Board for opinions about the Western Economic Partnership (WEP). The WEP will establish the framework for collaboration on innovative ways to bolster the economy of the West and improve competitiveness and productivity. The WEP will encompass four areas:

1. Internal trade;
2. International marketing;
3. Innovation; and
4. Procurement.

The WEP will protect the interests of Saskatchewan's Crown corporations and municipalities.

The Board expressed its support for the WEP. The agreement aligns with what the ES Board is promoting by removing barriers to trade and making Saskatchewan businesses more competitive. The agreement is expected to:

- increase opportunities and choice for workers, consumers, investors and business;
- reduce costs for consumers, businesses and governments;
- address the differences in government measures that are creating unnecessary barriers to trade; and
- ensure quality environmental and consumer protection, worker and public safety, and health and labour standards.

The Board requested that it be kept apprised of further WEP developments.

SECTOR TEAMS

The Board received presentations and recommendations from sector teams and strategic issues councils. The Board considered the recommendations along with analysis and input from ES staff and other ministries, and as deemed appropriate, advanced recommendations, with amendments in some cases, to Cabinet.

Forestry Sector

Saskatchewan's forestry sector has traditionally focused on commodity wood products such as lumber, pulp and paper, and oriented strandboard. The forestry sector has been an important economic force in northern Saskatchewan, generating employment and business opportunities for many First Nations and Métis people.

More recently, international market forces have pushed the forestry sector into an economic crisis, with primary forestry and logging GDP decreasing from \$39 million in 2004 to \$3 million in 2008. The impact of growing competition from emerging countries that have lower operating costs is compounded by the higher value of the Canadian dollar, the Canada-U.S. Softwood Lumber Agreement, as well as the slowdown in the U.S. housing market, which only recently has started to rebound. Overall industry growth is constrained by the pulp and paper sector collapse. Fortunately Saskatchewan's forest industry is relatively modern and efficient, and is in a good position to rebound when markets recover.

The Forestry Sector Team examined opportunities to reduce costs and increase efficiencies that will help companies weather the economic downturn. At the same time, any government actions to provide targeted assistance must consider implications of potential retaliation by Americans citing the Softwood Lumber Agreement, cost and fairness for other sectors.

The Forestry Sector Team identified Highway 903 in northwest Saskatchewan as a strategic corridor for the industry that

requires an upgrade. The ES Board agreed with the sector team that road conditions have a big impact on the industry's ability to transport goods in a cost-efficient way.

ES Board Recommendation:

Include Highway 903 as strategic highway infrastructure for the province's northwest, and accelerate the upgrade for completion by October 2011, subject to further cost analysis.

Response:

Upgrades to Highway 903 have been considered in the new Northern Transportation Strategy (NTS). The NTS has been developed through the work of the Northern Transportation Advisory Committee (NTAC), represented by the three northern Area Transportation Planning Committees, industry groups, First Nations and Métis people, and other stakeholders. The NTAC has developed a consistent and transparent planning framework to prioritize northern transportation infrastructure investments. The upgrading of Highway 903 did not rank in the top 10 priorities for infrastructure investment using the NTS analysis framework. The NTAC members, including the Highway 903 proponent participants on the NTAC, have indicated their support for the process used to identify the investment priorities.

The Minerals and Energy sector teams supported the Forestry Sector Team in a recommendation to eliminate the fuel tax for stationary equipment and off-road vehicles for all resource sectors. These vehicles do not utilize the transportation network that the fuel tax is targeted to support. The ES Board supported further review towards eliminating this tax.

ES Board Recommendation:

Eliminate fuel tax for all resource sectors using stationary equipment and off-road vehicles, subject to further information and expertise obtained from the ministries of Finance and Energy and Resources, regarding the financial impacts and Western Canada jurisdictional and sectoral comparisons.

Response:

The financial implications of this recommendation are being assessed by the ministries of Finance and Energy and Resources and will be considered during the budget process.

Minerals Sector

The minerals sector is comprised of three inter-related components: mineral exploration, mining and value-added activities related to minerals. Mining is one of Saskatchewan's most important industries, and major investments are being planned in potash, uranium, diamonds, gold, rare earth elements and coal. In 2008, Saskatchewan was Canada's leading mineral-producing jurisdiction, with production valued at over \$9.7 billion, accounting for over 21 per cent of Canada's total output in 2008. Saskatchewan produces about 33 per cent of world potash and 21 per cent of world uranium.

The sector has encountered difficulties in raising exploration funding and acquiring skilled labour as well as addressing issues relevant to First Nations and Métis people.

The Mining Sector Team identified a need to develop an overall mining sector strategy. In addition, the team recommended that measures be taken to address mineral sector labour market shortages and the overall public awareness of the industry.

ES Board Recommendation:

That ES lead a review of current mining sector promotional activities and bring back a recommendation to the ES Board in three months on an overall strategy, including a

discussion on whether the sector would benefit from enhanced collaboration among the stakeholders and whether an augmented budget is warranted.

Response:

A review of the current mining sector promotional materials was completed by ES staff, and a summary was presented to the Minerals Sector Team. The Minerals Sector Team will consider this information in the formation of an overall plan for the minerals sector, and ES officials will bring back a report to the ES Board at a future Board meeting.

ES Board Recommendation:

That ES, in collaboration with industry and ministries, lead the development of a plan to address minerals sector labour shortages. This plan should lay out the actions and resources needed to fill the labour shortage gap and could include initiatives such as training, immigration programming, Aboriginal people's skill development, mobile training units, etc. ES should return to the Board with a recommended course of action within three months.

Response:

A review of current government programming in support of addressing mining sector labour shortages was completed by ES staff, and a summary of the findings was presented to the Minerals Sector Team for review. The Minerals Sector Team will consider this information in the formation of an overall plan for the minerals sector and ES officials will bring back a report to the ES Board at a future Board meeting.

Information Technology Sector

Saskatchewan's Information Technology (IT) Sector is estimated to have approximately 330 firms and gross revenues of approximately \$2.5 billion. The IT Sector Team supported a submission to the Canada-Saskatchewan Western Economic Partnership Agreement (WEPA) to develop a new "State of the Industry" report and a strategic plan. ES and Western Economic Diversification approved funding through WEPA, and work is underway to update a report on the size, composition and scope of the advanced technology sector, further articulate issues and develop a plan to further grow the sector.

The sector team identified an opportunity for ES to work with stakeholders to enhance P3s to support economic growth and innovation in the province. The team also identified an opportunity to implement best practices in procurement policies and practices in consultation with government, Crowns and agencies to increase growth in the IT sector.

ES Board Recommendation:

That ES a) work with private sector companies, ministries, Crowns and agencies to identify areas where the private sector can be engaged in P3s or where private sector delivery of services can be of benefit to the government while supporting economic growth and innovation in the province; and b) complete a report to the Board of Directors giving recommendations on specific P3 or direct delivery opportunities to be provided to Cabinet for implementation, and that the report be completed by the end of the fiscal year.

Response:

An ES official has been working with a consortium of five organizations in Regina (three government and two private sector) on a project to build a large-scale data centre for primary and disaster recovery in or near Regina. A formal Request for Information (RFI) has

been sent out and responses are being evaluated. Should the project go ahead, the five consortium members would be anchor tenants for the data centre, with another five potential members identified with similar needs.

ES Board Recommendation:

That government, Crowns and agencies have fully open consultation, tendering and procurement processes with industry that: a) incorporate better communication regarding procurement opportunities; and b) utilize a strategic procurement policy that supports partnerships, promotes best value, creates long-term benefits for industry and the province, and measures and reports progress in applying this procurement policy.

That ES undertake a review of best practices of procurement policies and practices supporting economic growth and innovation in other jurisdictions and work with Government Services, ministries, Crowns and agencies to encourage adoption of those practices and report back on progress to the Board of Directors by December 31, 2009.

Response:

An inter-ministry and Crown committee has been formed and is looking at how best to respond to the ES Board, the Environmental Technologies Team, the Commercialization Team and the Construction Team, all of which have made procurement-related recommendations. A component of the report on procurement will address Aboriginal procurement, and officials will meet with Aboriginal agencies and the Provincial Aboriginal Workforce Council to seek their input on how best to build capacity in the Aboriginal community through procurement.

Life Sciences Sector

Life sciences deals with the study of living things: microbes, plants, animals and humans. Saskatchewan is home to a vibrant and growing life sciences cluster. It is one of the fastest emerging fields of science-based knowledge and opportunity. Saskatchewan has extensive agricultural strengths, and the research capabilities in the province are world-class. The province accounts for 10 per cent of Canada's life sciences companies, and the sector continues to produce new companies and employment.

The life sciences industry experiences challenges in terms of obtaining financing due to the high risk nature of the business. Salaries and costs have increased dramatically in recent years, creating pressures for small companies. The industry also lacks harmonization of provincial and federal programs. Taxes on corporations are still viewed as being uncompetitive by potential investors.

The Life Sciences Sector Team recommended funding to a co-ordinating agency to support commercialization.

ES Board Recommendation:

That government provide funding to a lead co-ordinating agency to support commercialization in the life sciences value-added industry in Saskatchewan.

Response:

This recommendation is being considered as part of the roll-out of Innovation Saskatchewan.

Biofuels and Bio-Products Sector

Saskatchewan represents one of Canada's largest renewable bio-resource bases and has extensive research and technological support for bio-industries. Saskatchewan is home to five grain-based ethanol plants with an annual capacity of some 342 million litres and a biodiesel plant with an annual capacity of approximately 10 million litres.

Saskatchewan is positioned to play a leading role in biofuels and bio-products sector development because of its resources and research strengths.

The biofuels and bio-products industry faces challenges in terms of market access, high cost of biofuels relative to traditional energy sources, and competition from low-cost producers in developing countries.

The Biofuels and Bio-Products Sector Team recommended that the Government of Saskatchewan implement a renewable diesel standard mandate and provide a blender's tax credit.

ES Board Recommendation:

That beginning in 2010, the Government of Saskatchewan:
a) implement a renewable diesel standard mandate starting at B2 (2 per cent biodiesel volume inclusion rate) and moving towards B5 as Saskatchewan production develops; and b) provide a blender's tax credit of 15 cents per litre for blendstock fuel produced and sold in Saskatchewan.

Response:

ES has contracted a study on the provincial approach to promoting biofuels and expanded linkages to the federal mandate. ES is currently developing a Provincial Biofuels Strategy for consideration as part of the provincial budget process.

Agri-Value Sector

The agri-value sector encompasses those activities and initiatives that enhance the value of agricultural commodities through secondary processing and/or manufacturing. Saskatchewan's agri-value industry is comparatively small and fragmented, with most of the activity occurring in the meat processing, flour and baking, dairy products and food ingredient segments.

The agri-value sector has global market challenges in terms of competition, technology use, trade barriers, distance to large markets and consolidation of the food industry outside of Saskatchewan. The sector also has identified issues with regulatory delays as an impediment to commercialization. Labour market shortages and changing workplace demographics for small and medium-sized companies continue to be issues in the sector.

The Agri-Value Sector Team identified an opportunity to enhance promotion of Saskatchewan-made products to increase consumption and sales.

ES Board Recommendation:

That the Ministry of Agriculture work with the Saskatchewan Food Processors Association to develop and fund the SaskMade marketing program with the objective the program would increase the sale and consumption of Saskatchewan food products; and the work be done within the budget of the Ministry of Agriculture and existing stakeholders.

Response:

The Ministry of Agriculture has been advised and will review the recommendation. A report will be prepared for further discussion by the Board.

Transportation and Logistics Sector

Transportation and logistics is an industry in its own right, but also impacts growth of other sectors. The transportation and logistics sector continues to change as world markets begin to rebound. Saskatchewan's international airports are seeing record growth in passenger volumes.

The transportation sector is experiencing ongoing labour shortages and reduced profit margins. Increased regulations for crossing the United States border and inconsistent regulations across provinces are also causing difficulties for trucking companies. The current price of oil has resulted in relatively high fuel prices. Emission standards and few primary weight roads in Saskatchewan have also contributed to challenges in this sector.

The Transportation and Logistics Sector Team recommended a more integrated five-year transportation plan including accountability standards for measurable milestones and corrective actions.

ES Board Recommendation:

That the Government of Saskatchewan optimize the current five-year transportation plan by more fully integrating the various modes of transportation to capture future economic growth opportunity. This should include introducing a requirement for accountability methods for measurable annual milestones and corrective actions.

Response:

The Ministry of Highways and Infrastructure develops and publishes a Rolling Five-Year Capital Plan and an Annual Strategy and Action Plan that incorporates all modes of transportation with key actions and performance measures. In June 2009, the Ministry established a Northern Transportation Advisory Committee with industry and community leaders mandated to develop a comprehensive Northern Transportation Strategy.

Entrepreneurship Council

The Entrepreneurship Council was formed to identify actions that reduce or remove barriers to growth for new and established Saskatchewan entrepreneurs. The Council also plays a role in laying out a strategic course that will raise the profile of entrepreneurship and strengthen the province's entrepreneurial spirit.

Innovative approaches to products, markets or organizations flow from a strong culture of entrepreneurship. The importance of entrepreneurship is underscored by the fact that in 2008, 277,000 or 64 per cent of Saskatchewan paid employees worked in small businesses, and small businesses accounted for approximately 19 per cent of the provincial economy.

The Council is developing an Entrepreneurship Strategy focusing on five pillars of support:

1. Access to financing;
2. Mentorship;
3. Entrepreneurial education;
4. Access to information; and
5. Competitiveness.

The Entrepreneurship Council has made several recommendations that support priorities identified within the broader Entrepreneurship Strategy. The Council recognized the difficulty entrepreneurs have in raising capital, including for operating expenses, especially against the backdrop of the credit crunch, and recommended that the Small Business Loans Association (SBLA) program be enhanced to increase availability of financing for entrepreneurs. The SBLA program has been very beneficial to small businesses, especially in rural areas.

ES Board Recommendation:

That the SBLA loan limit be increased from \$15,000 to \$20,000 with no change in lending criteria, and that the SBLA cap of \$250,000 be eliminated.

Response:

ES has received the recommendation and will consider it in its budget process.

The Council acknowledged the important role of mentors in helping entrepreneurs reach their potential. However, mentorship opportunities are limited in many areas by Saskatchewan's geographic realities. By creating a virtual mentorship tool, entrepreneurs from all over the province will be better able to connect with mentors and gain perspective and advice that may not be available in their home community.

ES Board Recommendation:

That ES support the development of a Virtual Mentorship Tool.

Response:

A proposal to develop a business case is being developed to submit to WEPA, funded by ES and Western Economic Diversification.

Early exposure to entrepreneurship as a career option is viewed as a key to strengthening the entrepreneurial culture in Saskatchewan. The Commercialization and Research and Development Services Sector Team, the Youth Economic Engagement Council and the Entrepreneurship Council jointly supported a recommendation to improve entrepreneurship education in the primary and secondary school system.

ES Board Recommendation:

That the Ministry of Education and ES return in six months to the ES Board with options for implementing an aggressive entrepreneurial education component in the core curriculum.

Response:

Discussions have been initiated with the Ministry of Education to identify options to enhance entrepreneur education in the schools.

Regulatory Modernization Council

The Regulatory Modernization Council (RMC) was established to guide and direct regulatory reform and business service priorities that will make it easier for businesses to do business and interact with government. The RMC provides advice regarding proposed regulatory and service programs and policies and assists the Board in monitoring progress towards meeting regulatory and service enhancement goals. The RMC identified 11 strategic areas and key actions in each area for enhancing regulatory modernization.

The RMC presented a proposal to the ES Board to quickly take steps to advance one-stop registration services. Several other provinces have partnered with the federal government to make it easier for businesses to complete their online registrations with both levels of government through one website.

ES Board Recommendation:

That ES co-ordinate the efforts of the provincial government and lead the development of an online one-stop business registration and approvals system utilizing the federal business number, and that steps be taken to make immediate progress and improvements to advance one-stop registration services.

Response:

In collaboration with Justice, Finance, the Information Technology Office and Information Services Corporation, ES led the development of a business case, which was completed by EDS in June 2009. The team is currently looking at different funding models.

The RMC also advanced a regulatory issue identified by mechanical and electrical contractors who have expressed frustration with the inefficiencies of dealing with several government ministries and agencies for permits and inspections.

ES Board Recommendation:

That the government create a centralized regulatory and inspection agency for mechanical and electrical contractors, with the intent of pursuing a model for all affected industries and regulators as a subsequent phase-in.

Response:

ES has contacted other ministries and Crowns that would be impacted by a centralized agency, and requested participation in developing a feasibility assessment for the agency.

ES Board Recommendation:

That ES, Municipal Affairs, and Highways and Infrastructure work with municipalities to reduce impediments caused by transportation weight limit variations and various hauling permits and fees among municipalities; and that a study on the issue be undertaken with a completion date of March 31, 2010.

Response:

ES established a steering committee with Municipal Affairs, Highways and Infrastructure, Saskatchewan Urban Municipalities Association (SUMA) and Saskatchewan Association of Rural Municipalities (SARM) and is working with these partners to develop terms of reference for a study.

Progress on Previous RMC Recommendations

Progress has been made on some of the earlier recommendations made by the Council. For instance, the Ministry of Finance released *The Taxpayer Service Commitments and Standards Code*. This Code has been applauded by the business community as an important step in enhancing service. ES will work with other ministries to adopt service standards.

The Ministry of Environment has reported on consultations with business, industry, communities, First Nations and select non-government organizations around its proposal for Results Based Regulations. The proposal has been endorsed by the regulated community, environmental groups (with some caveats) and government. Implementation is currently underway and will require approximately two years. Enhanced environmental protection and regulatory effectiveness are expected to result from this decision.

ES has been working with other ministries to develop a one-stop website for public and stakeholder consultations on regulatory proposals. "Your Voice - Saskatchewan Regulations" website is almost complete, and regulators have been trained on how to use it. A public launch is expected when the site is fully operational.

RMC members participated in a two-day Regulatory Modernization Conference and workshop on October 21 and 22, 2009. ES organized the event to increase regulators' understanding of the unintended impacts of inefficient regulations and to increase expertise on regulatory best practices. The conference provided more than 150 participants with practical tools, knowledge and best-practice examples of regulatory reform and service improvement opportunities. Mr. Bob Schutzman, RMC Chair, presented on the RMC's activities. Ms. Marilyn Braun-Pollon, an RMC member, presented on the impact of regulations on entrepreneurs and small businesses, and how government and the private sector can work together towards common regulatory goals. The keynote speaker and presenter of the second day workshop was Mr. Malcolm Sparrow, a professor at Harvard's John F. Kennedy School of Government, and world-renowned speaker on risk management and regulatory best practices.

Update on Enterprise Regions

Progress continues to be made in the development, operations and outcomes of the Enterprise Regions (ERs) program. All 13 ERs are established and have a chief executive officer, or equivalent, in place.

The inaugural Enterprise Region Summit was held October 5 and 6, 2009, in Saskatoon. The meeting was open to ER chief executive officers and board chairs (or designates). All 13 ERs were represented at the function. The event provided an opportunity for each ER to give a short presentation on its key goals for the fiscal year, stakeholder presentations, a question and answer session with the Minister and ES Chief Executive Officer, and networking. SARM also was represented at the event.

ES continues to provide additional support for the 13 Enterprise Regions through contract services for regional socio-economic data, competitive advantage analysis and board governance training.

ERs are utilizing their funding on projects, initiatives and events that support:

- business retention and expansion;
- enhanced development of regional supply chains;
- human resource planning to support regional and integrated economic development;
- entrepreneurial development on an integrated regional basis;
- greater regional partnerships among local Aboriginal, innovation, post-secondary training and business interests;
- greater regional partnerships between communities within the region; and
- leadership and governance development within the region.

Measuring Saskatchewan's Progress: Performance Indicators for Saskatchewan's Economy

The Enterprise Saskatchewan Act requires ES "to establish, measure, monitor and report on goals and targets for Saskatchewan's economy." In October, ES released its first report, *Performance Indicators for Saskatchewan's Economy*. A similar report on performance indicators for community, workforce and quality of life is planned for spring 2010.

The report outlines 25 performance indicators that will be used to monitor Saskatchewan's competitiveness and economic progress over time and in relation to the other provinces and Canada as a whole. Five of the indicators are considered to be "core" indicators for the provincial economy: (1) growth in real GDP; (2) population growth; (3) employment growth; (4) growth in personal disposable income per capita (a typical measure of "standard of living"); and (5) growth in manufacturing shipments, as a measure of the province's economic diversification. Supplementing these five core indicators are another 20 indicators, which provide more detail in the areas of economic performance, innovation and business environment.

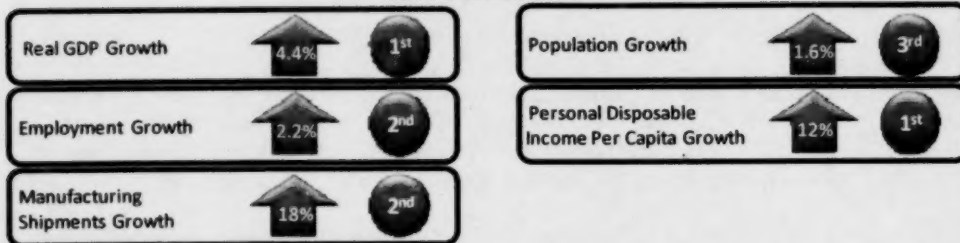
In 2008, Saskatchewan had an exceptional year in terms of economic performance, benefiting from the global resource boom that dominated much of the year. Saskatchewan was one of Canada's leading economic lights in 2008, recording the highest growth rate in real GDP, the second-highest employment growth rate, the third-largest percentage gain in population, the highest growth in PDI per capita, and the second-fastest growth in manufacturing. Last year, Saskatchewan was among the top three provinces in all five of the core indicators.

Of the 10 economic performance indicators, Saskatchewan ranked among the top three provinces on seven of them and in the middle on the other three. The story was not as good for indicators that measure Saskatchewan's innovation performance, with three of the six indicators ranked among the middle four provinces and three among the lowest-ranked provinces. The indicators suggest that innovation remains a challenge for Saskatchewan. The situation was much better for the four business climate indicators, as two were in the top three and two were in the middle range. Overall, for the 25 indicators, Saskatchewan ranked among the top three provinces on 14 and among the bottom three provinces on only three indicators.

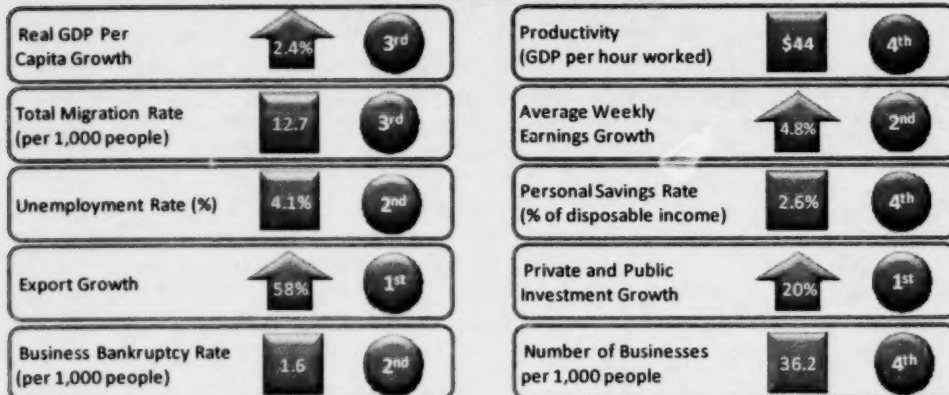
The performance indicators show that in 2008, and generally over the last five years, Saskatchewan had a relatively high and improving standard of living, a healthy labour market (with room for improvement among youth and First Nations and Métis people), and a thriving resource-based economy. In light of the current global economic downturn, it is unlikely that the province's economy will perform at the same level in 2009 as it did last year. The province is well positioned to resume growth once the global recovery, widely expected for 2010, takes hold.

In addition, addressing the various challenges facing the economy, and thereby improving the province's business, economic and innovation performance, will secure Saskatchewan's prosperity for the benefit of current and future generations of Saskatchewan residents.

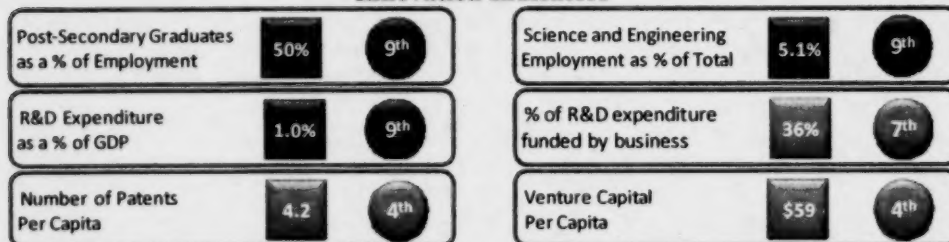
Core Indicators



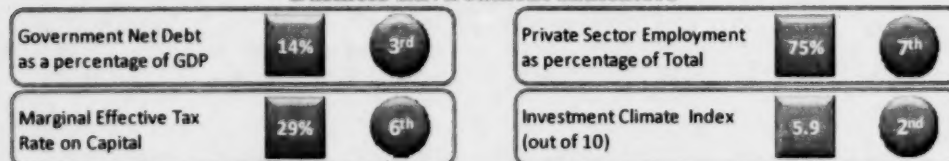
Economic Performance Indicators



Innovation Indicators



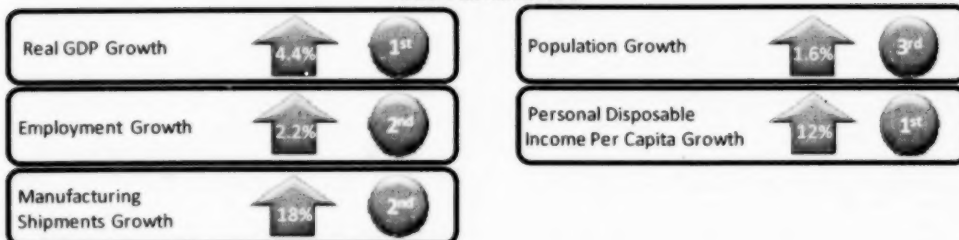
Business Environment Indicators



Green Items: Saskatchewan ranks in the top 3 provinces
 Orange Items: Saskatchewan ranks among the 4th to 7th place provinces
 Red Items: Saskatchewan ranks 8th or lower among the provinces
 Note: All data as of May 2009. Data and growth rates are for 2008 (or latest year available). Arrows show rates of growth; boxes indicate dollar amounts, percentage shares, etc.; circles show Saskatchewan's rank among the provinces.

See www.gov.sk.ca/adx/aspx/adxGetMedia.aspx?mediaId=976&PN=Shared for the full report.

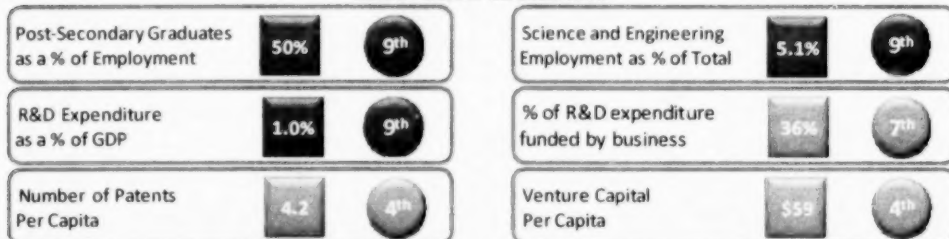
Core Indicators



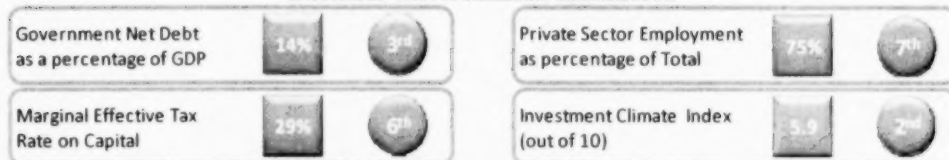
Economic Performance Indicators



Innovation Indicators



Business Environment Indicators



Green Items: Saskatchewan ranks in the top 3 provinces
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APPENDIX A

Enterprise Saskatchewan Board Members



The Honourable Ken Cheveldayoff, Chair, (government nominee) is Minister of Enterprise, Minister Responsible for Trade, and Minister Responsible for SaskEnergy. Minister Cheveldayoff was elected in 2003 as the MLA for Saskatoon Silver Springs, and worked as a senior business advisor helping individual businesses and industries to grow and expand. Mr. Cheveldayoff attended Carleton University in Ottawa, the University of Saskatchewan and Newport University in Southern California, receiving a B.A. (Honours) in Economics and Political Science in 1988 and a Master of Business Administration in 1996.



Gavin Semple, Deputy Chair, (business nominee) is Owner and President of Brandt Group of Companies, the largest privately held company in Saskatchewan, employing 1,250 people across Canada. Mr. Semple has served on several boards and also actively supports community organizations such as Evraz Place and Luther College. In 2009, Mr. Semple became the first ever Saskatchewan citizen to be appointed to the Canadian Manufacturers Hall of Fame.



The Honourable June Draude (member of the Executive Council) is Minister Responsible for Crown Investments Corporation, Information Technology Office, Information Services Corporation, Saskatchewan Government Insurance and Public Service Commission. Minister Draude was first elected as the MLA for Kelvington-Wadena in 1995. She has operated a mixed farming corporation and a playground manufacturing business. She was also instrumental in the start-up of a bed and breakfast.



Myrna Bentley (co-operatives sector nominee) is President and CEO of Concentra Financial Services Inc. She has worked in the co-operative financial system for over 30 years, holding a variety of senior executive positions. Ms. Bentley is an active community volunteer and served on many non-profit boards, winning many awards and recognition for her leadership.



Bill Cooper (agriculture producers nominee) has been involved in farming in the Foam Lake area since 1951, and has taught numerous agriculture courses at the University of Saskatchewan. Mr. Cooper has served on several agriculture boards, committees and think tanks, and is an advocate for market-driven solutions to agriculture.



Michael Fougere (urban municipality nominee) is the President of the Saskatchewan Construction Association. Mr. Fougere is currently sitting for his fifth term on Regina City Council and serves on many committees. He previously worked with the provincial government in the area of investment attraction, business development and business immigration.



Mark Frison (post-secondary nominee) is President and CEO of Cypress Hills College in Swift Current. Mr. Frison spent several years in economic development in Atlantic Canada in senior positions. He has served on several boards, advisory bodies and commissions.



Craig Lothian (resource sector nominee) has over 15 years experience in the oil and gas sector and is currently President and CEO of Keystone Royalty Corp. and Executive Chair of Villanova Resources Inc., two Regina-based energy companies. He has served on several corporate and community boards. Mr. Lothian was previously a partner in a Regina law firm. Mr. Lothian is also active in the venture capital sector through Lex Capital Corp.



David Marit (rural municipality nominee), a farmer in the Fife Lake area for over 35 years, is currently the President of Saskatchewan Association of Rural Municipalities (SARM) and has represented SARM on several councils and committees including the Action Committee on the Rural Economy, Agrivision, and Clearing the Path, a process to identify and remove municipal impediments to economic development.



Crystal McLeod (member at large) has been involved in economic development and served on several boards of financial institutions. She is a member of Yellow Quill First Nation and is an active volunteer with community-based organizations. Ms. McLeod resigned from ES Board in August 2009 to accept a position with the Ministry of First Nations and Métis Relations.



Gary Merasty (Aboriginal nominee) is Vice President of Corporate Social Responsibility for Cameco Corp. Mr. Merasty has served as Grand Chief of the Prince Albert Grand Council and as a Member of Parliament. Mr. Merasty has experience in governance, policy development and business, in both the Aboriginal and private sectors.



Hugh Wagner (labour nominee) is the General Secretary of the Grain Services Union. Mr. Wagner has served on a variety of committees, consultative bodies and labour movement forums, including the Saskatchewan Labour Market Commission. Mr. Wagner has worked in the service sector, the construction industry and the Saskatchewan civil service.

APPENDIX B

Sector Team and Strategic Council Members

Agriculture

Mr. Gerrid Gust (Chair)
Mr. Dwayne Anderson
Mr. Everette Bear
Mr. Maurice Berry
Ms. Cherilyn Jolly-Nagel
Mr. Gary Jones
Mr. Kenton Possberg
Mr. David Sefton
Mr. Doug Steele

Agri-Value

Mr. Tim Wiens (Chair)
Mr. Murad Al-Katib
Ms. Chanelle Donahue
Mr. Gene Dupuis
Mr. Kelly Edigar
Mr. Terry Helary
Mr. Paul Rogers
Mr. Darrell Schneider
Mr. Tom Steve

Alternative Energies & Environmental Industries

Mr. Gavin Koyl (Chair)
Mr. Sean Frisky
Mr. Jon Gillies
Ms. Val Jakubowski
Mr. Peter Klapchuk
Mr. John Lee
Mr. Todd Pugsley
Mr. Dennis Sherratt
Mr. Peter Vanriel

Arts & Culture

Ms. Susanne Bell (Chair)
Dr. Greg Argue
Mr. Bob Crowe
Ms. Kate Davis
Ms. Donna Heimbecker
Ms. Nicki Kiteley
Mr. Mike McNaughton
Mr. Donny Parenteau
Mr. Victor Sawa

Biofuels & Bio-Products

Mr. Brad Wildeman (Chair)
Mr. Vince Chin
Ms. Judie Dyck
Mr. Zenneth Faye
Mr. Tim LaFrance
Mr. John Leier
Mr. Gerald Rewerts
Mr. Mike Shenher
Mr. Jamie Bakos

Commercialization and R&D Services

Mr. Randell Morris (Chair)
Ms. Anne Ballantyne
Ms. Susan Gorges
Mr. David Gullacher
Dr. Grant Isaac
Mr. Jeff Cutler
Mr. Ranga Ranganathan
Ms. Laura Small
Mr. Marc Elrick

Construction & Land Development

Mr. Ron Shirkey Q.C. (Chair)
Mr. Muir Barber
Mr. Allan Didur
Mr. Erick Erickson
Mr. Dale Griesser
Ms. Rosanne Hill-Blaisdell
Mr. Tom McClocklin
Mr. Paul McLellan

Co-operatives

Mr. Jim Deane (Chair)
Mr. Beryl Bauer
Mr. Warren Crossman
Ms. Mary Flynn
Mr. George Keter
Ms. Marilyn McKee
Mr. Pieter McNair
Mr. Cyrus Standing
Mr. Robert Therrien

Energy

Mr. Mick MacBean (Chair)
Ms. Carolyn Preston
Mr. Brent Dunnigan
Mr. Jim Goldmann
Mr. Steve Halabura
Mr. John Jenkins
Ms. Brenda Kenny
Mr. Tony Marino
Mr. Roger Soucy

Financial Services

Mr. Keith Martell (Chair)
Mr. Ken Anderson
Ms. Colleen Bessel
Mr. Drew Byers
Mr. Roland W. Duplessis
Mr. Ernie Gaschler
Mr. Rob Rongve
Mr. Bill Shupe
Mr. Abe Toews

Forestry

Mr. Bob Romanchuk (Chair)
Mr. Allen Brander
Mr. Jim Dangerfield
Mr. Dave Harman
Mr. Trevor Ives
Mr. Travis Kiel
Mr. Guy Lariviere
Mr. Mervin Schneider
Mr. Perry Vermette

Home Building

Mr. Hank Starno (Chair)
Mr. Terry Alm
Chief Helen Ben
Mr. Gerry Kerr
Ms. Colleen Mah
Mr. Ron Olson
Mr. Tom Shepherd
Mr. Alan Thomarat
Mr. Ervin Wolfe
Mr. Ray Sieber

Information Technology

Mr. Dale Lemke (Chair)
Mr. Rene Carpentier
Dr. David Dodds
Mr. Ryan Lejbak
Mr. Dave Luterbach
Mr. Don Prokopetz
Mr. David Schroeder
Mr. Hugh Wood
Mr. Jim Dundas

Life Sciences & Biotechnology

Mr. Joe Vidal (Chair)
Ms. Maura Davies
Mr. Malcolm Devine
Ms. Martha E. (Beth) Horsburgh
Mr. Jerome Konecsni
Mr. Ian McPhadden
Mr. Robert Morgan
Dr. Andrew Potter
Mr. Calvin Sonntag

Manufacturing Sector Team

Mr. Ray Malinowski (Chair)
Mr. Terry Bergan
Mr. Gerry Bourgault
Mr. Tom Foster
Mr. Tom Kischuk
Mr. Gurcan Kocdag
Mr. Brian McCready
Mr. Nathan Stobbe
Ms. Carol Vibert

Minerals

Mr. Gay Patrick (Chair)
Mr. Kelly Babichuk
Mr. Jim Engdahl
Mr. George Read
Mr. Rod McEachern
Ms. MaryAnn Mihychuk
Ms. Pam Schwann
Mr. Alan Solheim
Mr. John P. Jarrell
Mr. Bruce Lambert

Tourism

Mr. Hugh Vassos (Chair)
Mr. Alvin Campeau
Mr. Randy Fernets
Ms. Judy Harwood
Ms. Carol Lumb
Mr. Arnie Peterson
Mr. Lionel Sproule
Mr. Andrew Turnbull
Ms. Karen Worobec

Transportation & Logistics

Mr. Denis Prud'homme (Chair)
Ms. Gayleen Creelman
Mr. Roger Gadd
Mr. Dennis Goll
Mr. David Hoppenreys
Ms. Janet Keim
Mr. Glen Strong
Mr. Richard Wansbutter
Mr. Phil Strutt

Regulatory Modernization Council

Mr. Bob Schutzman (Chair)
Ms. Marilyn Braun-Pollon
Ms. Bev Monea
Mr. Robert Rumberger
Ms. Shirley Ryan
Mr. Ben Wiebe

Entrepreneurship Council

Ms. Monica Kreuger (Chair)
Dr. Jim Mason
Ms. Lanis Anthony
Mr. David Gauthier
Ms. Georgette Nicolas
Mr. Chad Blenkin
Ms. Dawn Wotherspoon
Ms. Susan Gorges
Ms. Cherylynn Walters

Youth Economic Engagement Council

Mr. Tyler Bradley (Chair)
Ms. Jillian Bilawchuk
Ms. Mika Carriere
Ms. Ashley Charles
Ms. Lorraine Forster
Ms. Linda Jijian
Mr. Cory McDougall
Mr. Ryan Thompson
Mr. Levi Wood

Summary of Enterprise Saskatchewan (ES) Board Recommendations and Government Response As of September 30, 2009

Tax Competitiveness

<p>Focus on property taxes and personal income taxes for both low and high income earners as tax competitiveness priorities. Establish a strategic issues council to research and advise on tax competitiveness measures to encourage economic development.</p>	<p>Public feedback was sought on priorities for the budget surplus. On October 21, 2008, the Premier announced the largest single-year income tax reduction in Saskatchewan history, saving taxpayers about \$300 million per year. All income tax filers over 18 will experience a tax reduction, retroactive for 2008. ES contracted with the Canada West Foundation (Jack Vicq) and the CD Howe Institute to assess personal and corporate income tax options. On March 18, 2009, the Minister of Finance announced the largest education property tax cut in a single year in the province's history (see below).</p>
<p>Implement a competitive and affordable tax structure based on the following broad-based tax changes:</p> <ol style="list-style-type: none"> 1. Implement a plan to reduce the education component of property taxes; 2. Implement a three-year plan to reduce personal income taxes to a 10% flat rate; 3. Implement a three-year plan to reduce general corporate income taxes to a 10% flat rate; 4. Make no changes to the small business income tax rate or structure; 5. Make no major changes to the corporation capital tax structure; 6. Engage in sales tax harmonization discussions to determine if the federal government is willing to provide policy flexibility and financial assistance to make harmonization affordable; and 7. Examine targeted corporate tax measures to determine effectiveness in meeting policy objectives. 	<p>On March 18, 2009, the Government of Saskatchewan announced it would cut and cap education property tax rates (mill rates) by setting provincewide tax rates for each of the three major property classes—residential, commercial and agricultural. The overall amount of tax paid by property owners to fund education will be reduced by \$103 million, or 14 per cent, in 2009 compared to 2008. The education property tax will be reduced by a further \$53 million next year, with the province assuming an offsetting share of the funding for education.</p>
<p>Amend the R&D tax credit to make it refundable at a 15 per cent rate.</p>	<p>The R&D Tax Credit was made refundable at 15 per cent.</p>
<p>Based on changing economic circumstances and competitive new tax policies across Canada, the ES Board recommends accelerating its previous tax recommendations through focusing on:</p> <ol style="list-style-type: none"> i. Reducing the personal income tax to a 10 per cent flat rate; ii. Reducing the corporate income tax to a 10 per cent rate; iii. Harmonizing the PST and GST by 2010, and reducing expenditures within the context of a balanced budget. 	<p>Government will consider corporate and income tax reductions during budget deliberations. Premier Brad Wall has stated that government is not pursuing sales tax harmonization.</p>

That, as the Government of Saskatchewan reviews the second year of the property taxation structure changes, the government should take into account any inequities of the changes and take steps to mitigate the impact on the competitiveness of the three-tier system; and consult with the ES Board of Directors as it goes forward in this review.

Significant increases in property values and changes in the assessment methodologies have accounted for increases in property taxes for some businesses, even though overall mill rates decreased. In 2010, education property taxes will be reduced by a further \$53 million. The three-tiered structure for education property tax for commercial property owners is expected to be phased out as finances permit.

The Minister of Education will meet with the ES Board to further discuss their concerns with the three-tier system.

Labour Market Development

Quickly implement actions to address labour market shortages.

The SaskLMC presented its report to the ES Board, and it was released on July 2, 2009. The report focuses on three themes: information and communication, workforce and workplace enhancement, and attraction and retention of highly skilled individuals. ES is working with AEEL, and other ministries to build on SaskLMC's report in the development of a Provincial Labour Market Strategy for release in 2010.

Pursue investment, labour and tourism attraction missions to Ontario, Alberta, Manitoba and British Columbia, and consider adding Atlantic provinces.

ES, AEEL and Tourism Saskatchewan led a mission to Toronto from September 28 to October 1, 2008, attracting over 80 families to the province. A second successful mission to Toronto was held March 31 to April 1, 2009.

Expand the graduate tax credit to attract recent graduates from outside the province and include post-graduate students as being eligible for the credit.

AEEL announced an expansion of the Graduate Retention Program to eligible post-secondary graduates within and beyond Canada. See www.aeel.gov.sk.ca/grp. AEEL is undertaking consultations with graduate students to determine the most appropriate support for these students.

Establish a Youth Economic Engagement Strategic Issues Council.

Nine council members representing urban, rural, northern, First Nations and Métis youth have been confirmed. Youth leadership was identified as a priority, and training for youth from all Enterprise Regions is being planned.

Establish a Labour Market Council subject to further development and consultation on its clear mandate and focus.

Consultations were held with labour market stakeholders on the mandate of the Council. The Labour Market Council is expected to be established prior to year-end.

Infrastructure/Utilities	
<p>In light of the changing Saskatchewan economy and the important role that schools and provincial rural infrastructure play in our economy:</p> <p>1) Any decisions on closures of rural schools or provincial infrastructure facilities be suspended for a three-year period, at which time an appropriate analysis on the impact of closures of these facilities can be undertaken; and</p> <p>2) Government undertake an immediate review of the critical role that both our primary education system and rural provincial infrastructure in rural Saskatchewan play in our province's economic development.</p>	<p>The government has committed to striking a balance between providing education as close to children's homes as possible and having a minimum number of students per grade to allow a quality education. Amendments made to <i>The Education Act, 1995</i> and <i>The Education Regulations, 1986</i> include the new Schools of Opportunity designation, which provides rural school divisions with financial support to allow communities to demonstrate increased school enrolments over a maximum of three years (increased from two years as per the ES Board's recommendation); setting minimum provincial school review criteria on enrolment benchmarks and distance to the nearest schools; establishment of a school review committee with community representation; extending the timelines and clarifying the school review process; and outlining a funding formula for Schools of Opportunity. These measures recognize how important schools are to rural communities where increased economic opportunities on the horizon have brought optimism for the future.</p>
<p>Require five-year capital plans for all public sector organizations, including health districts, school boards, universities, regional colleges and the Ministry of Government Services.</p>	<p>Highways and Infrastructure released its five-year capital plan on December 3, 2008, with assistance from ES on priorities for economic development. ES will be working with Executive Council and other ministries to incorporate economic impact assessments as part of long-term capital plans.</p>
<p>Further analyze endowment funds as an option to sustain our provincial strategic research infrastructure.</p>	<p>ES is working with AEEL on an overall assessment of "Big Science" infrastructure. Innovation Saskatchewan is expected to further co-ordinate research infrastructure.</p>
<p>Implement the Enterprise Region concept subject to further consultations with SUMA and SARM.</p>	<p>In June, consultations were held with the SUMA Board and the SARM Board and with SARM's six districts. All 13 Enterprise Regions have been established.</p>
<p>Establish Enterprise Regions in northern Saskatchewan.</p>	<p>The formation of new northern Enterprise Regions was announced in the 2009-10 Budget and is being led by First Nations and Métis Relations (FNMR). Meetings were held with Western Economic Diversification, and a working group was formed with ES, FNMR and the federal government to further define and advance northern regions.</p>
<p>Include consideration of the impact of utility rate increases on the economy and industry competitiveness in future Rate Review Panel mandates and in the absence of this mandate, that Cabinet consider the impact of rate increases on the economy and industry.</p>	<p>As a result of the ES Board's recommendation, Government has added "Impact on Competitiveness" as a consideration for future Panel recommendations.</p>
<p>That the Government of Saskatchewan initiate an efficiency and effectiveness review of all Crown corporations.</p>	<p>Most major Crowns currently have ongoing productivity reviews. Crown Investments Corporation will determine what further reviews should be undertaken to increase Crown efficiency and effectiveness.</p>

Regulatory Streamlining	
Establish a strategic issues council to improve business services and reduce regulatory red tape.	Seven business leaders appointed to the Regulatory Modernization Council held their first meeting on September 17, 2008, and five subsequent meetings. The Council has a workplan, with key action items that are being advanced.
Continue work to implement a proposed client-focused business gateway, with priorities to include more consistent forms across government, availability of online transactions and single-window business registration.	The Information Technology Office has completed research on best practices and consulted with stakeholders. The report and request for funding is currently being considered by government. ES is enhancing its website to be more user-friendly and is working with other ministries on advancing a one-stop business registration website.
Pursue further consultations and research regarding a results-based model for environment regulations.	The Ministry of Environment has reported on consultations with business, industry, communities, First Nations and select non-government organizations around its proposal for Results Based Regulations. The proposal has been endorsed by the regulatory community, environmental groups (with some caveats) and government.
Implement the Ministry of Finance's draft Taxpayer Service Commitments and Standards Code and direct other ministries that deal with entrepreneurs and industry to develop similar commitments and standards in consultation with stakeholders.	The Taxpayer Service Commitments and Standards Code was released February 12, 2009. ES will work with other ministries to adopt service standards.
Begin a process to implement a Regulatory Registry—a one-stop online consultation tool for proposed new and amended regulations—under the direction of the RMC.	"Your Voice - Saskatchewan Regulations" website is almost complete and regulators have been trained on its use. A public launch is expected when the site is fully operational.
Establish an Inter-ministry Regulatory Modernization Committee of Deputy Ministers or designates to co-ordinate implementation of expected regulatory and related service recommendations within government, and that it report on progress to the RMC.	A committee has been established, chaired by the Registrar of Regulations. The first meeting was held February 11, 2009. Working groups have been established to implement recommendations.
That ES co-ordinate the efforts of the provincial government and lead the development of an online one-stop business registration and approvals system utilizing the federal business number, and that steps be taken to make immediate progress and improvements to advance one-stop registration services.	In collaboration with Justice, Finance, the Information Technology Office and Information Services Corporation, ES led the development of a business case, which was completed by EDS in June 2009. The team is currently looking at different funding models.
That the government create a centralized regulatory and inspection agency for mechanical and electrical contractors, with the intent of pursuing a model for all affected industries and regulators as a subsequent phase-in.	ES has contacted other ministries and Crowns that would be impacted by a centralized agency and requested participation in developing a feasibility assessment for the agency.
That ES, Municipal Affairs, and Highways and Infrastructure work with municipalities to reduce impediments caused by transportation weight limit variations and various hauling permits and fees among municipalities; and that a study on the issue be undertaken with a completion date of March 31, 2010.	ES established a steering committee with Municipal Affairs, Highways and Infrastructure, SUMA and SARM, and is working with these partners to develop terms of reference for a study.

Access to Capital

Pursue the development of other independently managed venture capital growth opportunities wherever possible.

This recommendation was provided to Cabinet. Government is looking at options to expand venture capital in the province. The tax credit for federal-registered Labour-sponsored Venture Capital Corporations was increased from 15 per cent to 20 per cent on the first \$5,000 invested each year by each individual. A study is being completed to identify gaps in capital and to make recommendations.

Remove the annual sales cap for provincial funds from the Invest in Saskatchewan program (labour-sponsored venture capital corporation funds).

The Saskatchewan government doubled the annual cap on provincially registered funds from \$25 million to \$50 million per fund to boost economic growth through encouraging additional venture capital for business growth and development. Golden Opportunities and SaskWorks raised \$24 million and \$34 million respectively during the 2008 tax season. Enterprise Saskatchewan is undertaking a review of the Invest in Saskatchewan program, which will be complete by March 31, 2010.

Entrepreneurship Development

Establish an Entrepreneurship Council and prepare a comprehensive entrepreneurship strategy.

A nine-person Entrepreneurship Council has been established. Over 400 people responded to a survey of barriers to entrepreneurship. Key issues include finance, mentorship, education, access to information and competitiveness. ES issued an RFP in September to examine the entrepreneur development system to be complete by January 2010.

That the SBLA loan limit be increased from \$15,000 to \$20,000 with no change in lending criteria, and that the SBLA cap of \$250,000 be eliminated.

ES has received the recommendation and will consider it in its budget process.

That Enterprise Saskatchewan support the development of a Virtual Mentorship Tool.

A proposal to develop a business case is being developed to submit to WEPA, funded by ES and Western Economic Diversification.

That the Ministry of Education and ES return in six months to the ES Board with options for implementing an aggressive entrepreneurial education component in the core curriculum.

Discussions have been initiated with the Ministry of Education to identify options to enhance entrepreneur education in the schools.

Aboriginal Development

That ES work with government to establish an appropriate action plan to engage the Aboriginal people in the economy; and that the Government of Saskatchewan make a bold statement not to allow jurisdictional issues to get in the way of ensuring full participation of Aboriginal people in our economy.

The Throne Speech committed to focus on greater First Nations and Métis engagement in Saskatchewan's economic prosperity. ES has been working with First Nations and Métis Relations, Education and AEEL on a strategy that seeks to close the gap for Aboriginal people in education, employment, and participation in the economy. Resolving jurisdictional issues will be part of the strategy. The Aboriginal Business Directory was transferred to ES to update and promote.

Diversification and Sector Growth	
Create private sector-led <i>sector teams</i> to provide advice on removing barriers to growth and building on key strengths to capture opportunities in key economic sectors.	Eighteen sector teams with nine business leaders on each team have been established. Sector teams have been meeting to identify opportunities to increase growth in their respective sectors, and have started to make recommendations to the ES Board.
<p>The ES Board recommends that beginning in 2010, the Government of Saskatchewan:</p> <ul style="list-style-type: none"> i) implement a renewable diesel standard mandate starting at B2 (2 per cent biodiesel volume inclusion rate) and moving towards B5 as Saskatchewan production develops; and ii) provide a blender's tax credit of 15 cents per litre for blendstock fuel produced and sold in Saskatchewan. 	ES has contracted a study on the provincial approach to promoting biofuels and expanded linkages to the federal mandate. ES is currently developing a provincial biofuels strategy for consideration as part of the provincial budget process.
Eliminate fuel tax for all resource sectors using stationary equipment and off-road vehicles, subject to further information and expertise obtained from the ministries of Finance and Energy and Resources, regarding the financial impacts, and Western Canada jurisdictional and sectoral comparisons.	The financial implications of this recommendation are being assessed by the ministries of Finance and Energy and Resources and will be considered during the budget process.
Include Highway 903 as strategic highway infrastructure for the province's northwest, and accelerate the upgrade for completion by October 2011, subject to further cost analysis.	Upgrades to Highway 903 have been considered in the new Northern Transportation Strategy (NTS). The NTS has been developed through the work of the Northern Transportation Advisory Committee (NTAC), represented by the three northern Area Transportation Planning Committees, industry groups, First Nations and Métis people, and other stakeholders. The NTAC has developed a consistent and transparent planning framework to prioritize northern transportation infrastructure investments. The upgrading of Highway 903 did not rank in the top 10 priorities for infrastructure investment using the NTS analysis framework. The NTAC members, including the Highway 903 proponent participants on the NTAC, have indicated their support for the process used to identify the investment priorities.
That the Government of Saskatchewan optimize the current five-year transportation plan by more fully integrating the various modes of transportation to capture future economic growth opportunity. This should include introducing a requirement for accountability methods for measurable annual milestones and corrective actions	The Minister of Highways & Infrastructure develops and publishes a Rolling Five-Year Capital Plan and an Annual Strategy and Action Plan that incorporates all modes of transportation with key actions and performance measures. In June 2009, the Ministry established a Northern Transportation Advisory Committee with industry and community leaders mandated to develop a comprehensive Northern Transportation Strategy.
The Board recommends that ES: a) work with private sector companies, ministries, Crowns and agencies to identify areas where the private sector can be engaged in P3s or where private sector delivery of services can be of benefit to the government while supporting economic growth and innovation in the province; and b) complete a report to the Board of Directors giving recommendations on specific P3 or direct delivery opportunities to be provided to Cabinet for implementation, and that the report be completed by the end of the current fiscal year.	An ES official has been working with a consortium of five organizations in Regina (three government and two private sector) on a project to build a large scale data centre for primary and disaster recovery in or near Regina. A formal Request for Information (RFI) has been sent out and responses are being evaluated. Should the project go ahead, the five consortium members would be anchor tenants for the data centre, with another five potential members identified with similar needs.

<p>The Board recommends that government provide funding to a lead co-ordinating agency to support commercialization in the life sciences value-added industry in Saskatchewan.</p>	<p>This recommendation is being considered as part of the roll-out of Innovation Saskatchewan.</p>
<p>The Board recommends that government, Crowns and agencies have fully open consultation, tendering and procurement processes with industry that: a) incorporate better communication regarding procurement opportunities; and b) utilize a strategic procurement policy that supports partnerships, promotes best value, creates long-term benefits for industry and the province, and measures and reports progress in applying this procurement policy.</p> <p>The Board additionally recommends that ES undertake a review of best practices of procurement policies and practices supporting economic growth and innovation in other jurisdictions and work with Government Services, ministries, Crowns and agencies to encourage adoption of those practices and report back on progress to the Board of Directors by December 31, 2009.</p>	<p>An inter-ministry and Crown committee has been formed and is looking at how best to respond to the ES Board, the Environmental Technologies Team, the Commercialization Team, and the Construction Team, all of which have made procurement-related recommendations. A component of the report on procurement will address Aboriginal procurement, and officials will meet with Aboriginal agencies and the Provincial Aboriginal Workforce Council to seek their input on how best to build capacity in the Aboriginal community through procurement.</p>
<p>That ES lead a review of current mining sector promotional activities and bring back a recommendation to the ES Board in three months on an overall strategy, including a discussion on whether the sector would benefit from enhanced collaboration among the stakeholders and whether an augmented budget is warranted.</p>	<p>A review of the current mining sector promotional materials was completed by ES staff, and a summary was presented to the Minerals Sector Team. The Minerals Sector Team will consider this information in the formation of an overall plan for the minerals sector, and ES officials will bring back a report to the ES board at a future board meeting.</p>
<p>That ES, in collaboration with industry and ministries, lead the development of a plan to address minerals sector labour shortages. This plan should lay out the actions and resources needed to fill the labour shortage gap and could include initiatives such as training, immigration programming, Aboriginal people's skill development, mobile training units, etc. ES should return to the Board with a recommended course of action within three months.</p>	<p>A review of current government programming in support of addressing mining sector labour shortages was completed by ES staff, and a summary of the findings was presented to the Minerals Sector Team for review. The Minerals Sector Team will consider this information in the formation of an overall plan for the minerals sector, and ES officials will bring back a report to the ES board at a future board meeting.</p>
<p>That the Ministry of Agriculture work with the Saskatchewan Food Processors Association to develop and fund the SaskMade marketing program with the objective the program would increase the sale and consumption of Saskatchewan food products; and the work be done within the budget of the Ministry of Agriculture and existing stakeholders.</p>	<p>The Ministry of Agriculture has been advised and will review the recommendation. A report will be prepared for further discussion by the Board.</p>

